

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

REC'D TN  
REGULATORY AUTH.

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In Re: *Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996*  
Docket No. 99-00945

**AGREEMENT TO MEDIATE**

This Agreement to Mediate is signed by the parties and K. David Waddell, (hereinafter "Mediator"), to create and clarify the mediation relationship. The parties agree to mediate the unresolved issues in this proceeding, the *Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996* (Docket No. 99-00945).

This Agreement reflects each party's sincere intention to negotiate in good faith during the mediation process.

- A. Both parties agree that mediation is a voluntary process that may be ended at any time by either party.
- B. The Mediator will seek to facilitate agreement by the parties. The Mediator will not provide legal advice, legal representation or advocacy on behalf of either party or the Tennessee Regulatory Authority.
- C. Because mediation is considered to be a form of settlement negotiation, the parties understand and agree to strict confidentiality regarding information shared in connection with the mediation sessions, including any written and verbal offers to compromise or settle unresolved issues. They further agree that neither the Mediator, nor his agents, nor files connected with this mediation will be

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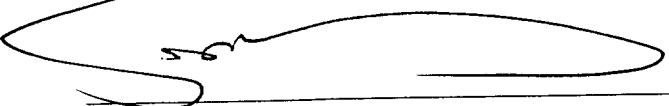
subpoenaed. The parties and mediator further agree that information shared in connection with the mediation will not be used, cited, or referenced in the arbitration proceeding or any appeal of the Arbitrators' rulings, provided, however, that this does not apply to information which has previously been publicly disclosed by either party. Absent written agreement of all parties, no party will share information gathered from any mediation session with anyone outside the mediation process.

- D. The parties agree to make a good faith effort to discuss the issues with the aid of the Mediator and to disclose fully all relevant, material information requested by the Mediator if the Mediator finds that such disclosure is appropriate to the mediation process and may aid the parties in reaching a settlement. Failure to make such material disclosure may invalidate any subsequent agreement.
- E. The Mediator will not submit any type of report in connection with this proceeding except if required by law to make such report. The Mediator agrees to conduct the mediation without the assistance of either the Directors or Staff.
- F. The parties agree that the Mediator has the right to end the mediation at any time if the Mediator believes that the case is inappropriate for mediation or that further discussions would not be helpful.

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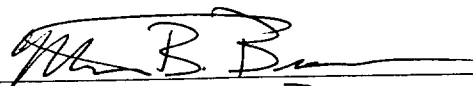
By signing the Agreement, each party acknowledges receipt of its copy and full understanding of its contents.

BELL SOUTH TELECOMMUNICATIONS, INC.

  
\_\_\_\_\_  
Guy M. Hicks, III


Date: 3/10/00

BLUESTAR NETWORKS, INC.

  
\_\_\_\_\_  
By Michael B. Bressman

Date: 3/10/00

MEDIATOR

  
\_\_\_\_\_  
K. David Waddell

Date: 3/10/00